

Diagnosis Related Groups: UB-04 Claim Completion and Billing Tips

Reminder

Effective for admissions on or after July 1, 2013, reimbursement for private inpatient general acute care hospitals will be based on a Diagnosis-Related Group (DRG) payment methodology. The specific DRG algorithm chosen by the Department of Health Care Services (DHCS) is All Patient Refined Diagnosis-Related Groups (APR-DRG). This is a change from the current methodology of per diem contract rates for contract hospitals and cost reimbursement for non-contract hospitals.

Increased Importance of Diagnosis and Procedure Codes

Effective for admissions on or after July 1, 2013, providers may submit up to 18 diagnosis codes and six procedure codes on paper claims and up to 25 diagnosis and/or procedure codes on electronic claims. This more detailed coding, along with other information on the claim such as the patient's age and discharge status, will be used to assign the claim to an APR-DRG group. The APR-DRG group plays a large role in calculating payment. Entering all applicable diagnosis and procedure codes on the claim will ensure the claim is reimbursed at the appropriate level. Please note that for all newborn claims, newborn weight as well as gestation age is an indicator of care that should be coded via diagnosis coding and will aid in the proper APR-DRG assignment. All diagnosis and procedure coding should be complete, accurate and appropriate.

The current Medi-Cal reimbursement methodology (Selective Provider Contracting Program contract rates or non-contract cost reimbursement) is not driven by diagnosis and procedure codes. The current claims processing system adjudicates using only the first two codes in the diagnosis and procedure codes fields.

Interim Claim Billing

Providers may submit an interim claim for patients whose hospital stay is greater than 29 days and the claim indicates patient status code 30 (still a patient). Interim claims are reimbursable at a per diem rate of \$600. Interim claims submitted with type of bill code 112 or 113 with a patient status code of 30 are allowable only for hospital stays exceeding 29 days, and in increments exceeding 29 days thereafter. Claims submitted with type of bill code 114 will not be accepted. Submission of interim claims is voluntary and is not mandatory under any circumstance. Upon patient discharge, providers submit a final claim containing charges for the full length of stay and all diagnosis and procedure codes. The claim will be priced using the APR-DRG method. All amounts previously paid for interim claims will be deducted from the provider's next checkwrite by the DHCS Fiscal Intermediary.

Late Charges

Type of bill code 115 is disallowed by Medi-Cal for inpatient claims. This code is designated to bill additional inpatient services rendered to the patient that were not submitted on the initial claim. When billing for ancillary, accommodation, diagnosis or procedure code for any hospital stay that was previously billed and reimbursed, providers must void the original claim and resubmit a new claim for the entire amount.

Administrative Days

A new administrative day level 2 will be created for subacute level care. Level 2 care is defined as care that is less intensive than acute care but more intensive than the existing administrative day care, now to be referred to as administrative day level 1. Level 1 services are billed with revenue code 169 (room and board, other). Level 2 services are billed with revenue codes 190 (room and board, subacute pediatric) and 199 (room and board, subacute, adult). Level 1 days are payable to hospitals reimbursed using both DRG and non-DRG methodologies. Level 2 days are payable only to DRG-reimbursed hospitals.

The per diem rates for administrative day level 2 are being developed by DHCS.

DHCS DRG Web Page

The following documents can be found at the bottom of the [Diagnosis Related Group Hospital Inpatient Payment Methodology](#) Web page on the DHCS website:

- Medi-Cal DRG Project Policy Design Document May 1, 2012
- Summary of Analytical Dataset
- CA DRG Pricing Calculator

- Hospital Characteristics File
- DRG Executive Summary
- Provider bulletins
- DRG FAQs (by date)

Providers may communicate with DHCS via the DRG mailbox at DRG@dhcs.ca.gov.